

August 12, 2008

Ms. Florence E. Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: **Proposed Rules for Nationally Recognized Statistical Rating Organizations (NRSROs); Release No. 34-57967, File No. S7-13-08**

Dear Ms. Harmon,

Lehman Brothers, Inc. (LBI) is pleased to offer its comments in response to the above-referenced rule proposals of the Securities and Exchange Commission (SEC). The proposed rules would require broad disclosure of information used in the rating process, information about the ratings process itself and information about the diligence and surveillance performed by NRSROs. The proposed rules would also require NRSROs to distinguish credit ratings for structured finance products by publishing a report to accompany each such rating or, alternatively, by differentiating its rating symbols or adding a rating modifier to identify structured products.

LBI supports the SEC's efforts to promote investor confidence in credit ratings, increase accountability in the rating process and reduce conflicts of interest facing NRSROs. LBI has contributed to the comment letter submitted by the Credit Rating Agency Task Force of the Securities Industry and Financial Markets Association (SIFMA Task Force) and wishes to express its strong support for the views expressed in that letter. In particular, LBI generally supports proposed rule 17g-5(a) (3) requiring broad disclosure of information used in the ratings process and proposed amendments to rule 17g-2 requiring each NRSRO to retain and make public a record of its ratings actions. However, as described further below, we share the SIFMA Task Force's concerns about the proposed amendment to Rule 17g-5 requiring the disclosure of all information submitted to an NRSRO and urges greater focus on disclosure of the credit ratings process. Furthermore, we join the SIFMA Task Force in opposing the use of differentiated ratings symbols for structured products under proposed rule 17g-7.

Enhanced Disclosure and Liability Concerns

LBI strongly supports greater transparency of information used in the ratings process. We agree that information about the ratings process itself would prove most valuable to investors and support some additional disclosure for the rated security. We are concerned, however, about the potential treatment of information submitted to ratings agencies. First, disclosure of information used by a ratings agency should be limited to the extent that the information is valuable proprietary information or private, confidential

